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AUG 18 2004

DAVID L. NACE
ADMITTED IN D.C. ONLY
(703) 584-8661

August 17, 2004

Federal Communications Commission
Wireline Competition Bureau -- CPD Appls.
PO Box 358145
Pittsburgh, PA 15251-5145

Attn: Julie Veach, Wireline Competition Bureau

Re: Application for Authorization of Transfer of Control
relating to Section 214 Authorization for Resale of
Domestic Telecommunications Services

Dear Sir or Madam:

Transmitted herewith is an application requesting Section 214 authorization relating to a proposed transfer of control of Granite State Long Distance, Inc., as holder of Section 214 authorization for resale of domestic telecommunications services, and of its affiliated local exchange carrier named Granite State Telephone, Inc.

Parties to the application have the following FCC Registration Numbers:

Granite State Long Distance, Inc.	FRN 0004317319
Granite State Telephone, Inc.	FRN 0003666708
Hobart G. Rand (Transferor)	FRN 0011209012
Yankee Telecom, Inc. (Intermediate Controlling Company)	FRN 0011209194
Susan Rand King (a Transferee)	FRN 0011398971

Attached is FCC Form 159 and a check in payment of the filing fee of \$895.00. Should any questions arise, please communicate with this office.

Very truly yours,



David L. Nace

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)	
)	
GRANITE STATE LONG DISTANCE, INC.)	
(FRN 0004317319))	
Domestic Section 214 Authorization Holder;)	
)	
GRANITE STATE TELEPHONE, INC.)	
(FRN 0003666708))	
Local Exchange Carrier and affiliate of)	
Granite State Long Distance, Inc.;)	File No. _____
)	
HOBART G. RAND)	
(FRN 0011209012))	
Transferor through an intermediate)	
controlling company named Yankee)	
Telecom, Inc.; and)	
)	
SUSAN R. KING, CHRISTIAN H. RAND,)	
CATHERINE R. GHERARDI, and FREDERICK)	
J. COOLBROTH, each as a TRUSTEE)	
)	
Transferees through the same intermediate)	
controlling company, Yankee Telecom, Inc.)	
)	
Application for Approval for Transfer of Control)	
of Entity holding Section 214 Authorization for)	
Resale of Domestic Telecommunications Services)	
and of its Affiliated Local Exchange Carrier)	

**APPLICATION FOR APPROVAL FOR TRANSFER OF CONTROL OF ENTITY
HOLDING SECTION 214 AUTHORIZATION FOR RESALE OF DOMESTIC
TELECOMMUNICATIONS SERVICES AND OF ITS
AFFILIATED LOCAL EXCHANGE CARRIER**

Pursuant to the rules of the Federal Communications Commission ("Commission"), 47 C.F.R. Part 63, Granite State Long Distance, Inc. ("GSLD"), Granite State Telephone, Inc. ("Granite State Telephone"), Hobart G. Rand ("Transferor"), and Susan R. King, Christian H. Rand, Catherine

R. Gherardi, and Frederick J. Coolbroth as Trustees ¹ (jointly, the "Transferees"), hereby submit an application for approval for a transfer of control of (i) authorization granted to GSLD under Section 214 of the Communications Act to provide resold telecommunications services to domestic points on a nondominant basis, and of (ii) Granite State Telephone, an affiliated local exchange carrier with operations in the State of New Hampshire.² It is requested that the application be processed on a streamlined basis.

Summary of the Proposed Transaction:

Yankee Telecom, Inc. ("Yankee") owns 100% of the stock of GSLD and over 96% of the stock of Granite State Telephone.³ The proposed transaction involves a change in the ownership of Yankee, such that a 79.3% stock interest in Yankee that is owned by Hobart G. Rand will be redeemed by Yankee, leaving as the sole owners of Yankee the other three current stockholders of Yankee, each with an equal ownership interest in Yankee. As explained below, the Transferees in their capacities as trustees will exercise ultimate control over GSLD and Granite State Telephone when the transaction is completed.

As background, GSLD has been under the direct control of Yankee and indirect control of

1 Susan R. King is Family Trustee and Frederick J. Coolbroth is Independent Trustee of the Susan R. King Irrevocable Trust of 2000; Christian H. Rand is Family Trustee and Frederick J. Coolbroth is Independent Trustee of the Christian H. Rand Irrevocable Trust of 2000; and Catherine R. Gherardi is Family Trustee and Frederick J. Coolbroth is Independent Trustee of the Catherine R. Gherardi Irrevocable Trust of 2000. The role of the Independent Trustee is much more limited than that of the Family Trustee for each trust. The Independent Trustee is prohibited from exercising any authority or control with respect to stockholdings of the trusts except in rare circumstances as specified in the trust agreements. The Independent Trustee is aware of the need to request prior FCC consent to a transfer of control for any future voluntary transfer of control of GSLD or Granite State Telephone.

2 Section 214 authorization for a transfer of control of Granite State Telephone is requested to the extent, if any, that the Commission has Section 214 jurisdiction over the operations of Granite State Telephone.

3 Yankee has made offers to purchase all of the outstanding minority interests in Granite State Telephone. As of the date this application was prepared, Yankee had purchased all but four of the outstanding shares which, in combination, amount to a 3.2% interest in Granite State Telephone.

Transferor since GSLD was organized in 1996. Control of Granite State Telephone was acquired by Yankee, under the control of Transferor, in 1985.

Through redemption of Transferor's stock interest in Yankee, the transfer of control of GSLD and Granite State Telephone from Mr. Rand to his adult children who hold management positions will occur in a smooth transition. Susan Rand King serves as President of Granite State Telephone and is a member of the company's Board of Directors. She has worked at Granite State Telephone for 17 years. Christian H. Rand is the Treasurer of Granite State Telephone, is a member of the Board of Directors and also serves as the company's Director-Customer Care. He has been with Granite State Telephone for 12 years. Catherine Rand Gherardi has worked for Granite State Telephone for 6 years and is presently employed as Marketing Supervisor of the company. All three of these individuals also assist in the management of GSLD. The Independent Trustee, Frederick J. Coolbroth, is an attorney, officer and shareholder in the firm of Devine, Millimet & Branch, Professional Association in Concord, New Hampshire. All four of the Transferees are United States citizens, as are all of the beneficiaries of the subject trusts.

None of the Transferees independently will hold a controlling interest in GSLD or in Granite State Telephone. The Transferees jointly will exercise control when the proposed transaction is completed.⁴

Granite State Telephone is a rural telephone company that provides local dial tone to approximately 10,800 access lines to rural communities in south central New Hampshire. Local dial tone is provided through four exchanges: Weare, Chester, Hillsborough Upper Village and Washington. A map outlining the exchange areas is attached hereto.

⁴ As indicated in footnote 1, *supra*, the role of the Independent Trustee, Frederick J. Coolbroth, is limited by the terms of each of the trust agreements.

GSLD resells intrastate, interstate and international long distance toll services to households and businesses located within Granite State Telephone's local exchange areas. GSLD relies on "blanket" Section 214 authorization granted by the Commission for domestic resale operations,⁵ and GSLD was granted Section 214 authorization in File No. ITC-96-019 for international resale service.⁶

There will be no interruption of services to the public as the result of the proposed ownership change in Yankee. GSLD and Granite State Telephone will continue to operate as separate but affiliated companies, and will maintain separate books of accounts.

In accordance with Section 63.04(b) of the Commission's rules, the applicants are providing information responsive to the pertinent rules in Part 63 that concern transfer of control applications. A filing fee of \$895.00 is being submitted with FCC Form 159 for this application.

Application for Transfer of Control of Domestic Section 214 Authorization:

With reference to domestic Section 214 authority, the following information is submitted as required by Section 63.04(a) of the rules:

(1) The name, address and telephone number of each applicant:

Granite State Long Distance, Inc.
PO Box 87
Weare, NH 03281
603-529-9941

Granite State Telephone Company, Inc.

⁵ As described on the website of the Wireline Competition Bureau, in 1999, as to domestic resale services, the Commission eliminated all entry certification filing requirements under Section 214 of the Communications Act, "Implementation of Section 402(b)(2)(A) of the Telecommunications Act of 1996" CC Docket No. 97-11, FCC 99-104, released June 30, 1999.

⁶ See, Public Notice of Overseas Common Carrier Section 214 Application Actions Taken, Report No. I-8155, issued March 14, 1996. A separate application is being filed by GSLD to request FCC consent to a transfer of control relating to the international Section 214 authorization

PO Box 87
Weare, NH 03281
603-529-9941

Hobart G. Rand
c/o Granite State Telephone, Inc.
PO Box 87
Weare, NH 03281
603-529-9941

Susan R. King
1465 Hookset Road, Unit #372
Hooksett, NH 03106
603-529-9941

Christian H. Rand
c/o Granite State Telephone, Inc.
PO Box 87
Weare, NH 03281
603-529-9941

Catherine R. Gherardi
236 Oak Street
Manchester, NH 03104
603-529-9941

Frederick J. Coolbroth, Esq.
Devine Millimet and Branch, P.A.
49 North Main Street
Concord, New Hampshire 03301
603-669-1000

- (2) *The government, state, or territory under the laws of which each corporate or partnership applicant is organized:*

GSLD and Granite State Telephone are corporations organized under the laws of New Hampshire. The intermediate controlling company, Yankee, is a corporation organized under the laws of New Hampshire. Likewise, the trusts controlled by the Transferees are organized under the laws of New Hampshire.

- (3) *The name, title, post office address, and telephone number of the officer or contact point, such as legal counsel, to whom correspondence concerning the application is to be addressed:*

Please direct any correspondence or inquiries to federal telecommunications counsel for the applicants:

David L. Nace, Esq.
Lukas, Nace, Gutierrez, & Sachs, Chartered
1650 Tysons Blvd., Suite 1500
McLean, VA 22102
(703) 584-8661

- (4) *The name, address, citizenship and principal business of any person or entity that directly or indirectly owns at least ten (10) percent of the equity of the applicant, and the percentage of equity owned by each of those entities (to the nearest one (1) percent):*

GSLD and Granite State Telephone are and will remain subsidiaries of Yankee Telecom, Inc., PO Box 87, Weare, NH 03281.⁷ Yankee is a corporation organized under the laws of New Hampshire whose principal business is the control of telecommunications companies.

79.3% of Yankee is presently owned by Hobart G. Rand. Presently there is no other stockholder of Yankee with a 10% or greater interest. In the proposed transaction, Mr. Rand's stock ownership will be redeemed by Yankee, leaving as the sole owners of Yankee the other three current stockholders of Yankee, each with an equal ownership interest in Yankee. Those three stockholders are:

- (i) "Susan R. King Irrevocable Trust of 2000"

Susan R. King – Family Trustee
1465 Hooksett Road, Unit #372
Hooksett, NH 03106

Frederick J. Coolbroth – Independent Trustee
Devine Millimet and Branch, P.A.
49 North Main Street
Concord, New Hampshire 03301

Beneficiary: Susan R. King and her living issue

Both trustees and all beneficiaries are U.S. citizens.

⁷ Yankee presently owns in excess of 96% of the stock of Granite State Telephone and 100% of the stock of GSLD. Yankee has made offers to purchase the few shares of Granite State Telephone stock that it does not presently own.

(ii) "Catherine R. Gherardi Irrevocable Trust of 2000"

Catherine R. Gherardi – Family Trustee
236 Oak Street
Manchester, NH 03104

Frederick J. Coolbroth – Independent Trustee
Devine Millimet and Branch, P.A.
49 North Main Street
Concord, New Hampshire 03301

Beneficiaries: Catherine R. Gherardi and her living issue

Both trustees and all beneficiaries are U.S. citizens.

(iii) "Christian H. Rand Irrevocable Trust of 2000"

Christian H. Rand – Family Trustee
c/o Granite State Telephone, Inc.
PO Box 87
Weare, NH 03281

Frederick J. Coolbroth – Independent Trustee
Devine Millimet and Branch, P.A.
49 North Main Street
Concord, New Hampshire 03301

Beneficiaries: Christian H. Rand and his living issue

Both trustees and all beneficiaries are U.S. citizens.

Each of the three trusts will hold a 33 1/3% interest in Yankee upon completion of the proposed transaction. The Transferees in their capacities as trustees will exercise ultimate control over GSLD and Granite State Telephone.⁸

The principal business of Susan R. King, Christian H. Rand and Catherine R. Gherardi is the management of telecommunications companies. The principal business of Frederick J. Coolbroth is the practice of law.

(5) *Certification pursuant to §§1.2001 through 1.2003 of this chapter that no party to the application is subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988. See 21 USC §853.*

⁸ As indicated in footnote 1, *supra*, the role of the Independent Trustee, Frederick J. Coolbroth, is limited by the terms of each of the trust agreements.

No party to this application is subject to a denial of Federal benefits under Section 5301 of the Anti-Drug Abuse Act of 1988.

(6) *A description of the transaction:*

Please refer to the response to Section 63.04(a)(4). In their capacity as trustees, and subject to limitations on the Independent Trustee's authority, the Transferees will share responsibility for ultimate control of GSLD and Granite State Telephone, through Yankee. No interruption in services to the public will result from the transaction.

(7) *A description of the geographic areas in which the transferor and transferee (and their affiliates) offer domestic telecommunications services, and what services are provided in each area:*

Granite State Telephone is a rural telephone company that serves approximately 10,800 access lines through four exchanges in south central New Hampshire. Local dial tone is provided through four exchanges: Weare, Chester, Hillsborough Upper Village and Washington.

GSLD resells intrastate, interstate and international long distance toll services to households and businesses located within Granite State Telephone's local exchange areas.

(8) *A statement as to how the application fits into one or more of the presumptive streamlined categories in this section or why it is otherwise appropriate for streamlined treatment:*

Reference is made to the criteria specified in Section 63.03(b)(2)(iii) as follows:

(2) Where a proposed transaction would result in a transferee having a market share in the interstate, interexchange market of less than 10 percent, and the transferee would provide competitive telephone exchange services or exchange access services (if at all) exclusively in geographic areas served by a dominant local exchange carrier that is not a party to the transaction, the streamlined procedures provided in this rule shall be presumed to apply to transfer of control applications in which:

* * *

(iii) The applicants are incumbent independent local exchange carriers (as defined in §64.1902 of this chapter) that have, in combination, fewer than two (2) percent of the nation's subscriber lines installed in the aggregate

nationwide, and no overlapping or adjacent service areas.

Applicants assert that the proposed transaction is eligible for presumptive streamlined treatment under Section 63.03(b)(2)(iii) of the Commission's rules. The applicants submit that they, including their affiliates, satisfy the terms of such rule and are eligible for streamlined processing. The proposed transaction will result in the Transferees, and affiliates of the Transferees, having less than 10% of the market share in the interstate, interexchange market. Applicants, including their affiliates, are not and will not be engaged in competitive local exchange service in the market.

- (9) *Identification of all other Commission applications related to the same transaction:*

In addition to the instant application for domestic Section 214 authorization the parties are filing separate applications to request FCC consent to a transfer of control of GSLD as relating to resale of international telecommunications services by that company, and of Granite State Telephone with regard to microwave and business radio licenses held by that company.

- (10) *A statement of whether the applicants are requesting special consideration because either party to the transaction is facing imminent business failure:*

Not applicable

- (11) *Identification of any separately filed waiver requests being sought in conjunction with the transaction:*

None

- (12) *A statement showing how grant of the application will serve the public interest, convenience and necessity, including any additional information that may be necessary to show the effect of the proposed transaction on competition in domestic markets:*

By redemption of the ownership interest of Hobart G. Rand in Yankee in the manner described herein, a transfer of control of GSLD and Granite State Telephone from Mr. Rand to his adult children and, to a limited extent, to an Independent Trustee will occur in a smooth transition.

Susan R. King, Christian H. Rand and Catherine R. Gherardi are experienced in the management of the subject telecommunications companies. Upon completion of the proposed transaction GSLD and Granite State Telephone will provide the same high quality telecommunications services as those companies

currently offer. The proposed transaction has no potential to harm the public interest or to impair competition in any local exchange or in long distance toll markets. The Transferees plan no change in the non-regulated long distance services resold by GSLD, or in the regulated local exchange and exchange access services, rates or practices of Granite State Telephone, as a result of the proposed transaction. Separate accounts will be maintained for regulated local exchange service and for non-regulated long distance services by the separate companies involved.

The proposed redemption of Transferor's stock in the manner planned will avoid the possibility that estate taxes due upon death will prevent transfer of his indirect ownership and control of GSLD and Granite State Telephone to the next generation of family members who are actively engaged in the companies' management.

Conclusion:

As reflected herein, the Transferees are qualified to control the operations of GSLD and Granite State Telephone. Accordingly, grant of the instant application is consistent with public interest considerations.

[signature page follows]

Respectfully submitted,

GRANITE STATE LONG DISTANCE, INC.

By: _____
Name: _____
Title: _____

GRANITE STATE TELEPHONE, INC.

By: _____
Name: _____
Title: _____

SUSAN R. KING

By: _____
Susan R. King, Family Trustee, Susan R. King Irrevocable
Trust of 2000

CHRISTIAN H. RAND

By: _____
Christian H. Rand, Family Trustee, Christian H. Rand
Irrevocable Trust of 2000

CATHERINE R. GHERARDI

By: _____
Catherine R. Gherardi, Family Trustee, Catherine R. Gherardi
Irrevocable Trust of 2000

FREDERICK J. COOLBROTH

By: _____
Frederick J. Coolbroth, Independent Trustee: Susan R. King
Irrevocable Trust of 2000; Christian H. Rand Irrevocable Trust of
2000; and Catherine R. Gherardi Irrevocable Trust of 2000

Attorney:
David L. Nace, Esq.
Lukas, Nace, Gutierrez & Sachs, Chartered
(202) 828-9469; Email: dnace@fcclaw.com

